GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:1430
ANSWERED ON:04.03.2016
ATM Transaction
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Will the Minister of FINANCE be pleased to state:

(a) whether there is any plan to allow more free ATM transactions and for setting up of ATM at Post Offices in the country;
(b) if so, the details thereof;
(c) whether the ATM coverage in rural areas of the country is less in comparison to urban areas; and
(d) if so, the details thereof and the effective steps taken/being taken for more ATM coverage in rural areas?

Answer

The Minister of State in the Ministry of Finance

(a) and (b) As per present guidelines of Reserve Bank of India (RBI), from November 1, 2014, banks are mandated to offer minimum five free transactions per month in own bank ATMs and three in other bank ATMs in six metro centres (Mumbai, New Delhi, Chennai, Kolkatta, Bengaluru and Hyderabad). In non-metro centres, minimum five free transactions per month in own bank ATMs and five in other bank ATMs are mandated. Banks are free to offer free transactions above the mandated limit specified by RBI.

RBI has informed that writ petition has been filed in two High Courts on this matter in which RBI is one of the respondents.

As on 24th February, 2016, Department of Posts (DoP) has installed 550 ATMs out of a target of 1000 ATMs in various parts of the country.

(c) and (d) As on 31.12.2015, Scheduled Commercial Banks (SCBs) have 193434 ATMs across the country, out of which 33249 ATMs are in Rural Centres and 51925 in semi-urban centres. In order to expand the reach of ATMs in Tier III centres (population between 20,000 to 49,999) to Tier VI centre (population less than 5000), RBI has permitted non-bank entities incorporated in India under the Companies Act 1956, to set up, own and operate ATMs in India. Three different schemes are available to such White Label ATM operators for setting of White Label ATMs (WLAs), which incentivize setting up of WLAs in Tier III to Tier VI centres, details of which are available in RBI Circular No.DPSS.CO.PD.No. 2298/02.10.002/2011-2012 dated 20.06.2012 available on RBI's website (https://rbi.org.in). As on 31.12.2015, 11706 WLAs have been set up.
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